GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1242
ANSWERED ON:02.05.2016
Investment in Oil/Petrochemical Sector
Gaikwad Dr. Sunil Baliram;Gavit Dr. Heena Vijaykumar;Gopalakrishnan Shri R.;Gupta Shri Sudheer;Jayavardhan Dr. Jayakumar;Kirtikar Shri Gajanan Chandrakant;Kothapalli Smt. Geetha;Mahadik Shri Dhananjay Bhimrao;Mahato Shri Bidyut Baran;Patil Shri Vijaysinh Mohite;Radhakrishnan Shri T.;S.R. Shri Vijay Kumar;Singh Shri Kunwar Haribansh;Vellaigounder Shri Elumalai

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to Invest $20 billion in oil, gas and petrochemicals sector in joint ventures with Iran and has also signed a Memorandum of Understanding (MoU) in this regard recently and if so, the details thereof along with the likely benefits of the said move to the country;
(b) whether the Government also proposes to Import LNG from Iran through a planned Iran-Pakistan-India pipeline project and also set up a gas cracker/LPG unit there and if so, the details thereof and the response of the Iran Government thereto;
(c) the details of the latest development in the long pending rights to develop Farzad-B gas field in the Persian Gulf discovered by ONGC Videsh Limited (OVL);
(d) the details of payments pending with Indian refiners towards purchase of oil from Iran and the steps taken/being taken to clear the payments at the earliest; and
(e) the steps taken/being taken by the Government to strengthen the bilateral relation with Iran in the oil and petrochemical sectors?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS(SHRI DHARMENDRA PRADHAN)
(a) During his visit to Iran on 9th April, 2016, Shri Dharmendra Pradhan, Minister of State(Independent Charge) for Petroleum and Natural Gas conveyed to the Iranian side that the Indian Companies could invest up to $ 20 billion and were interested in setting up petrochemical and fertilizers plants, including in the Chahabar SEZ, either to joint venture between Indian and Iranian public sector companies or with private sector partners. In this regard, he requested Iran to allocate appropriate and adequate land in SEZ. No MoU was signed in this regard.
(b) During his visit to Iran on 9th April, 2016, Shri Dharmendra Pradhan, Minister of State(Independent Charge) for Petroleum and Natural Gas expressed India's interest in importing LPG from Iran and said that companies from both side could discuss on setting up an extraction plant in Chahabar, if required. Both sides agreed to continue examining various means of evacuation of gas such as LNG, including through the proposed Iran-India-Pakistan Pipeline. He also expressed India's interest in setting up an LNG plant and gas cracker in Chahabar port. He also requested Iranian side for favourable treatment in the pricing of gas for India and also supply of rich gas at competitive price and on long term basis for the life of the joint venture projects that Indian companies are interested in setting up. He said that competitive gas pricing was crucial in making the projects attractive for the prospective investors.
(c) During the visit of Minister of State(Independent Charge) for Petroleum and Natural Gas to Iran from 9-10 April 2016, both sides discussed the developments regarding Farzad-B gas fields and expressed confidence on concluding an agreement at the earliest.
(d) During his visit to Iran on 9th April, 2016, Shri Dharmendra Pradhan, Minister of State(Independent Charge) for Petroleum and Natural Gas conveyed that India was committed towards making payments as and when banking channels, acceptable to both sides, were available.
(e) Matters relating to oil and gas are discussed at various levels including Joint Working Group, Joint Commission as well as at the level of Ministers. There are regular exchange of delegations to pursue matters of mutual interest. The visit of Shri Dharmendra Pradhan, Minister of State(Independent Charge) for Petroleum and Natural Gas to Iran on March 9-10, 2016 who was accompanied by a business delegation which included CEOs of private and public sector companies was a step in this direction.